ECCLESIA LAW

Private Ecclesiastical Counsel
United States & International

DOMESTIC PRIVATE TRUSTS "SPENDTHRIFT TRUSTS" VS. ASSET FORTRESS & ENVOY PROTOCOLS

1. Executive Summary

For U.S. Residents, the landscape of asset protection and jurisdictional freedom is often confused by conflating **Domestic Contract Law** strategies with **International Status Correction** strategies.

- **Private Irrevocable Trusts** (often marketed as Common Law, Constitutional, or Spendthrift Trusts) attempt to use domestic rights to contract to create a shield *within* the United States jurisdiction.
- **The Asset Fortress (AFP) & Envoy Protocols** utilize a two-pronged approach: correcting the status of the individual to a diplomatic/ecclesiastical standing (Envoy) and utilizing a **Foreign Grantor Trust** structure (AFP) to operate outside domestic statutory reach.

This report compares these methodologies regarding their mechanics, legal validity, and failure points for individuals currently classified as U.S. Residents.

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2. Private Irrevocable Trusts ("Common Law" / "Spendthrift")

What They Are

These are domestic trusts established under the "Right to Contract" (U.S. Constitution, Article I, Section 10). They are often sold as "Pure Trusts," "Business Trusts," or "Complex Trusts."

How They Work

1. **Creation:** A Grantor exchanges assets into the trust in exchange for "Certificates of Beneficial Interest" (CBIs).
2. **Tax Theory:** Proponents often claim these are "Complex Trusts" where taxes on income can be deferred indefinitely if distributed to the corpus rather than beneficiaries (citing IRC § 643).
3. **Management:** A Trustee (often the individual or a close associate) manages the assets.

Why They (Theoretically) Work

- **Asset Segregation:** By moving title out of the individual's name, they theoretically protect assets from personal lawsuits.
- **Contract Law:** They rely on the premise that the state cannot impair the obligation of contracts.

Why They Don't Work (The Failure Points)

For a U.S. Resident, these structures have a high failure rate due to **Jurisdictional Capture**:

1. **The "Alter Ego" Doctrine:** If the U.S. Resident acts as Trustee and treats the trust assets as their own (paying personal bills directly), courts rule the trust is a "sham" or "alter ego" and pierce the veil.
2. **Grantor Trust Rules (IRC § 671-679):** The IRS routinely looks through these trusts. If a U.S. Resident retains any power of control or beneficial enjoyment, the income is taxed to the individual, nullifying tax benefits.
3. **Domestic Jurisdiction:** The Trustee is usually a "U.S. Person." Therefore, the Trustee is subject to court orders. A judge can simply order the Trustee to repatriate assets or face contempt of court. The "Contract Law" defence rarely survives a hostile statutory court.
4. **"Abusive Trust" Classification:** The IRS aggressively targets these structures when used for personal living expenses, often labelling them "abusive tax evasion schemes."

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3. The Envoy Protocol & Asset Fortress Protocol (Ecclesia Model)

What They Are

This is a **Status + Structure** system. It does not rely on domestic contract law but on **International Private Law** and **Ecclesiastical Jurisdiction**.

- **Envoy Protocol:** A status correction procedure to sever the agency between the living man and the state-owned "person".
- **Asset Fortress Protocol (AFP):** A **Private International (Foreign) Grantor Trust** used as a treasury and asset-holding vehicle.

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How They Work

1. **Status Correction (Envoy):** The individual rescinds the "U.S. Citizen" agency using *Clausula Rebus Sic Stantibus*, declares Life, and occupies the Office of General Executor. They pledge as an **Envoy** of a Ministry (Republic of Old Souls), granting them diplomatic/ecclesiastical standing.
2. **Structure (AFP):** The AFP is established as a **Foreign Trust**.
    - **Trustee:** A Legal Person (not the living man) acts as Trustee to ensure separation of capacity.
    - **Beneficiary:** The living man/woman is the beneficiary *only* (no control).
3. **Funding:** The AFP is funded via **Grants** (from the Ministry or Recoupment), not by the individual's income.
4. **Treasury Function:** The AFP pays the Envoy's expenses directly to third parties. This is not "income" to the Envoy; it is "Third Party Settlement".

Why They Work

- **Jurisdictional Severance:** By becoming an Envoy, the individual is no longer a "U.S. Resident" for legal purposes; they are a foreign diplomat/ecclesiastical agent. Domestic courts lack *personam* jurisdiction.
- **Foreign Status:** The AFP is a **Foreign** entity. Under the Internal Revenue Code, foreign trusts have different reporting and tax liabilities than domestic trusts.
- **No "Alter Ego":** The structure enforces strict separation. The living man is *not* the Trustee. Control and Benefit are separated, satisfying the "Sham Trust" tests.
- **Recoupment Integration:** The AFP is designed to receive funds from **1099-OID Recoupment** (Clifford Protocol), which domestic trusts cannot safely handle.

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4. Technical Comparison Table

Feature	Private Irrevocable Trust (Domestic)	Asset Fortress & Envoy Protocols
Jurisdiction	**Domestic** (U.S. Constitution / Contract Law)	**International** (Ecclesiastical / Foreign)
Individual Status	**U.S. Resident / Person** (Subject to State)	**Envoy / General Executor** (Diplomatic/Foreign)
IRS Classification	Often **Grantor Trust** (Taxed to owner) or **Abusive**	**Foreign Grantor Trust** (Tax-Exempt via Treaty/Ministry)
Asset Protection	**Weak** (Vulnerable to "Alter Ego" attacks)	**Fortified** (Foreign Jurisdiction & Status Shield)

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Feature	Private Irrevocable Trust (Domestic)	Asset Fortress & Envoy Protocols
Control	Individual often acts as Trustee (High Risk)	Legal Person acts as Trustee (Separation of Capacity)
Debt Discharge	Attempts to use assets to pay debts	Uses **Third Party Settlement** & Credit Recoupment
Court Defense	Argues "Right to Contract" (Subject to interpretation)	Argues **Lack of Jurisdiction** (Diplomatic Immunity)

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5. The "U.S. Resident" Trap

The most critical distinction for a U.S. Resident is this:

- **In a Common Law Trust:** You remain a "U.S. Resident" trying to hide assets from the sovereign (US Govt) while living on its land. The sovereign always has superior claim over its subjects and their property.
- **In the Envoy/AFP Model:** You **cease to be a U.S. Resident** in capacity. You become an Envoy of a Foreign Ministry. Your assets are moved to a Foreign Trust (AFP). You are no longer "hiding" assets; you have moved them to a jurisdiction where the U.S. Government has no claim.

6. Conclusion

Private Irrevocable Trusts function like a screen door on a submarine; they rely on domestic laws that are easily overridden by statutory courts when the user is a U.S. Resident.

The Asset Fortress & Envoy Protocols work because they fundamentally alter the **Capacity** of the user and the **Location** (Jurisdiction) of the assets. By moving from "Domestic Contract" to "International Status," the Envoy/AFP model provides the only robust shield against the "Commercial Court" system.